The information below provides a brief update on the FY 2015 budget.

The prior version of the budget presented to the Operations Board in August showed unfunded costs of $2.5M. The current budget is materially balanced. This is primarily due to revised departmental expenditures, additional state operating funds, the reduction of the 8-car Fredericksburg line train from 12 months of service to 9 months, and the incorporation of additional federal and state capital funds. Currently, there are no plans for either a subsidy or fare increase.

**Capital:** The six-year capital plan is still under review, but has changed considerably since the version in August. As a result of additional 5337 (state of good repair) federal formula funds and of TSDAC recommended state funding, projects in the capital budget include the completion of funding for the new maintenance facility, five additional railcars, expansion of equipment storage and the final year of positive train control. The Capital Committee will be reviewing CIP projects and funding issues at their meeting following the November Board meeting.

**8-car Fredericksburg line train:** While the additional train is currently included in the FY 2015 budget, the appropriate timing is still under review. If initiated on October 1, 2014, the net cost would be $1.6M for nine months of service.

**Track Access Funding:** The budget assumes similar funding for track access as in FY 2014.

**FY 2014 Amended Budget:** Additional capital funding was also made available for the current year budget. The amended capital budget includes additional funding for
the replacement of existing rail cars, the mail docks/track work at Ivy City, land acquisition at the Crossroads storage yard and the first year of funding for enhanced maintenance facilities.

The additional federal formula funding for FY 2014 and FY 2015 is summarized below:

- **FY 2014 formula funding**
  - Adopted budget: $13.4M
  - Amended budget: $28.3M
  - Difference: $14.9M

- **FY 2015 formula funding**
  - August proposed budget: $21.2M
  - Revised budget: $28.3M
  - Difference: $7.1M

**Next steps:** Work on the budget will continue over the next month in conjunction with the CAO Task Force. VRE staff will have a balanced budget to present to the CAO Task Force, which will meet for the final time at the beginning of December. Operations Board adoption is scheduled for December 20, with Commission approval in January 2014.